



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 12-12, Change in Processing of Spot Cash Awards

Date: April 12, 2012

To: Subscribers of Title I Publications (Payroll/Personnel)

This bulletin is being issued to announce changes related to the processing of spot awards and to reissue the spot cash award procedures that remain unchanged. It supersedes Title I, Bulletin 09-12, Alternate Increase in Maximum Limitations for Spot Awards and Review of Spot Cash Award Process, dated July 17, 2009.

Additionally, there is also no longer a requirement for agencies to complete a post-audit Statistical Sampling procedure for Spot Cash Awards over \$750. With the implementation of Authority Code PAY (with Award Code C100), NFC Disbursed Spot Award, the maximum limitations are now monitored within the Payroll/Personnel System (PPS), therefore, reducing the risk of improper payments. With the reduced risk of improper payment, the National Finance Center (NFC) no longer requires post-audit of transactions above the Departmental payment limitation of \$750.

Requirements for Obtaining Authorization To Use Nature of Action Codes (NOACs) 841, 849, 887, and 889 PAY Option with the Increased Limit

In order for an Agency/Department to begin issuing spot cash awards over the standard \$750 limit, a request to update Table Management System (TMGT) Table 043, Award Type Code, for Award Code C099 must be submitted to NFC. Previously, these requests were submitted to nfc.gesdrequest@usda.gov with a cc to several NFC staffs. Effective immediately, these requests should now be submitted to nfc.tmgt@nfc.usda.gov only (no ccs are required). The request should include the following:

- Requester's Department/Agency/Personnel Office Identifier
- Requester must be listed on TMGT Table 063, Department/Agency/Bureau Contact, (with **3** in the Contact Type field), for the agency requesting the update.
- A screen capture of TMGT Table 043 for Award Code C099 with all the fields completed.

Methods for Processing Spot Cash Awards Paid through NFC's PPS

As a reminder, the following procedures remain in effect for agencies who wish to use NOACs 841, 849, 887, and 889 with Authority Code PAY:

- Agencies currently using NOACs 841, 849, 887, and 889 with Authority Code PAY may continue to do so with no changes to their processing procedures. This option allows for payment up to \$750 per award.

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- Process an individual spot cash award using NOAC 849/887 with Authority Code PAY and Award Code C100.
- Process a group spot cash award using NOAC 841/889 with Authority Code PAY and Award Code C100.
- Customers who are approved to use NOACs 841, 849, 887, and 889 with Authority Code PAY with the increase of up to \$6500.
 - Process an individual spot cash award using NOAC 849/887 with Authority Code PAY and Award Code C099, Based on Contribution/Performance (net amount entered).
 - Process a group spot cash award using NOAC 841/889 with Authority Code PAY and Award Code C099.

Agencies using NOACs 841, 849, 887, and 889 with Authority Code PAY and Award Code C099, may use the C099 for all 841, 849, 887, and 889 PAY actions processed and not only those in excess of \$750.

In all cases, the spot cash award payments made under the PAY authority will be disbursed to the address stated on the Address Indicator field.

Special Processing Requirements for Deleting an Individual/Group Spot Award Processed under the PAY Authority Before Payment Is Disbursed

Since these awards are processed nightly, there is limited time for deleting spot cash awards before payment is processed. The spot cash award must be deleted from the applicable entry system on the same day that the award is entered. Refer to the appropriate entry system procedure for instructions on deleting spot cash awards.

If the award is not successfully deleted, and the document does apply to PPS (i.e., the award is displayed in the Information/Research Inquiry System (IRIS) the next day), the payment of the spot cash award will be processed and cannot be stopped. If the payment is incorrect for any reason, the agency must follow the cancellation process for awards that have been paid.

Canceling an Individual/Group Spot Award after Payment Is Disbursed by NFC

If the spot cash award must be canceled after payment is disbursed, the agency must process a cancellation to the award personnel action during the current or subsequent pay period to correct the employee's personnel history.

The agency must also submit a request to NFC via the Special Payroll Processing System (SPPS) Web-Based version, **Adjustment** option, to establish a debt and the repayment of the spot cash award by the employee.

Individual/Group Spot Awards Paid by NFC Will Not Be Processed on a Nightly Basis in the Final Pay Period of the Calendar Year

To avoid any potential tax reporting problems that may be incurred for a given year, individual/group spot cash awards processed nightly by NFC will not be processed on a nightly basis during the final pay period of the tax year.

NFC Bulletin

The Personnel Input and Edit System (PINE) Edit Message 149, Award with "Pay" Auth Held To Avoid Corrected W2, will be generated for Document Type 110, Incentive Awards, when agencies process an individual/group spot cash award paid by NFC on a nightly basis in the final pay period of the calendar year. The spot cash award will be held in a suspense file until the processing of the first pay period of the new tax year.

Payroll/Personnel Inquiry System (PINQ)

PINQ Program PQ032, Payroll Listing, may be used to verify NFC's disbursed payment after the final schedule of the Payroll Processing System (PAYE) has been executed at the end of the processing pay period.

Standard Form SF-50B, Notification of Personnel Action

There is no change in the generation of the output of Form SF-50Bs that are generated for the processing pay period. The SF-50B will reflect the gross amount of the spot cash award in Block 20, Total Salary/Award, which includes the flat withholding rate of 25 percent for Federal tax, the flat withholding rate of 2 percent for state tax, if applicable, and Medicare and Social Security tax, if applicable.

Inquiries

For questions about NFC processing, contact the Payroll/Personnel Call Center (Option 3, then Option 1) at **1-800-981-3026** or *EmpowHR* Help Desk at **1-888-367-6955**.



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